

STATSPEC

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10 November 1975

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MEMORANDUM FOR: Director, [REDACTED]  
SUBJECT : [REDACTED] Contractor Rates

1. This memorandum contains a recommendation in paragraph 6 that [REDACTED] minimum rates be increased effective January 1976. Although not detailed here, corresponding upward adjustments are planned for translation-related services. The cost of these increases and the upward adjustment of actual rates within the new range cannot be accurately predicted but are estimated at about 10 percent.

2. Under the July 1974 [REDACTED] Schedule of Rates which is currently in effect, [REDACTED] is authorized to pay a minimum of \$11 and a maximum of \$30 per 1,000 words for translation. Given this spread, if an equal number of translators were paid at each dollar increment, the average cost to [REDACTED] per 1,000 words would be \$14.50. However, a [REDACTED] study of the actual rates of active contractors on 30 September 1975 shows an average of \$14.29. Another statistical treatment of this data shows that the median rate (half paid more, half less) of active contractors falls between \$13 and \$14. Because the assignment of work is not distributed evenly over the rate range, [REDACTED] computes that in September 1975 its actual average cost per 1,000 words was \$15.44.

3. Attachment A tabulates the rates of 357 contractors who were active in August and September 1975 (Category I) and 450 inactive contractors (Category II). Based on the number of contractors paid at each dollar increment, [REDACTED] average rate per 1,000 words is \$14.29 for Category I and \$12.65 for Category II. Attachment B, based on the same categories of contractors, portrays rates in effect on 30 June 1974. This tabulation shows that the average rate per 1,000 words at that time was \$13.35 for Category I and \$12.33 for Category II.

4. Attachment A also shows that 90% of Category I contractors are paid between \$12 and \$16—making those our de facto mini/maxi rates. A single Category I contractor is paid \$25 (none higher) and only 17 contractors receive \$18 or more. Chief [REDACTED] has been moving steadily ahead to increase the average rate: more than 370 contractors

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STATINTL have received increases since 30 June 1974 (others, effective 1 October, are not reflected in our tabulation). It still appears, however, that [REDACTED] possibly lags behind others in the translation business. For example, the [REDACTED] Schedule of Rates dated March 1971 authorized a mini/maxi range of \$9/25. The authorization of July 1974 increased the minimum to \$11 (an increase of 22%) and the maximum to \$30 (an increase of 20%); however, the average actual cost per 1,000 words between 1971 and 1974 increased only from \$12.39 to \$14.07, or 13.6%. From 1974 to September 1975, the actual cost has risen from \$14.07 to \$15.44 or 9.7%. During this latter period the average rate has risen from \$13.35 to \$14.29, or 7%. The Civil Service comparability pay adjustment effective in October 1974 was set at 5.52% and that of October 1975 added another 5%. Furthermore, the cost of living in the past year has risen 8.6% (August 1974-August 1975), showing by another measurement that [REDACTED] rates do not appear to be keeping pace.

STATINTL 5. [REDACTED] has found it difficult to obtain detailed cost/payment information from commercial firms and other organizations involved in translations, but Attachments C and D and discussions at the recent American Translators Association Annual Meeting give some idea, albeit by no means scientific, of the disparity that seems to exist. In assessing the attachments, the following should be kept in mind:

STATINTL a. Because commercial firms pay on the basis of English words, which usually expand from a given number of foreign words, and because [REDACTED] pays on the basis of foreign words, our per 1,000 word rates are not necessarily equal even when the dollar rates are the same. (The [REDACTED] practice of paying by foreign words provides a means of estimating more accurately in advance what a given item will cost. Also, it helps prevent "padding" -- using superfluous English words.)

STATINTL b. Most commercial firms and other organizations require only draft translations, not camera-ready copy. When camera-ready copy is required, the translator usually is paid additionally. [REDACTED] seeks camera-ready copy as a matter of policy since it is cheaper and faster, requiring little or no additional handling. [REDACTED] increases contractor rates for camera-ready copy, but its premium probably has been too conservatively set.

STATINTL c. Commercial and other translation organizations do not appear to base higher rates on higher translator volume as much as [REDACTED] seems to have done. Recently, by raising the rates of average-productivity Arabic translators, [REDACTED] was STATINTL

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able to induce contractors to produce more, thereby sharply reducing a backlog that had plagued [REDACTED] for a long time.

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STATINTL 6. On the basis of the foregoing, assuming your concurrence, I intend to instruct [REDACTED] as follows:

STATINTL a. Effective 1 January 1976, the minimum rate will become \$12 per 1,000 words for such cognate languages as Romance, Germanic and Slavic, and \$13 per 1,000 words for the non-cognate, or character, languages (Arabic, Chinese, Japanese, etc.). It will be understood that the minimum rate applies primarily to new contractors who score "4" on the [REDACTED] language test and who produce draft, not camera-ready, translations. For a score of "5" on the [REDACTED] test, the starting rate can be increased. The complete new rate schedule, including those for translation-related services, is appended (see Attachment E).

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STATINTL b. Since [REDACTED] saves typing costs when translators produce camera-ready copy, the rate for these translators will be raised by \$2 per 1,000 words when they and [REDACTED] agree that camera-ready copy should be delivered. [REDACTED] will be instructed to review the contracts of those translators now producing camera-ready copy and adjust their rates where this is deemed justified.

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STATINTL c. The program of reviewing IC rates and granting merit increases to high quality translators will be accelerated. I will instruct [REDACTED] to give priority to adjustments for those translators who are not volume producers to see if they can be induced to devote more time to our work. For these contractors, incremental increases of at least \$2 per 1,000 words should become the norm, rather than the \$1 increments that have prevailed.

d. Since the new minimum rate is deemed necessary for both market and cost-of-living considerations, it will not be applied only to contractors at the bottom of the rate scale. Every contract--active and inactive--will be reviewed and adjusted upward, unless there are good reasons to the contrary. With regard to inactive contractors, we anticipate that this increase will persuade many of them to be more responsive to our needs.

e. Demonstrated ability to produce good translations, not length of time under contract, will be the governing criteria for other rate increases.

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f. Chief [REDACTED] will draft two form letters for my approval, one for contractors whose rate increase is limited to the "cost-of-living" adjustment, and the other for those whose increase is a combination of "cost-of-living" and merit. Both letters will explain that the upward adjustment is the culmination of a lengthy rate review.

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[REDACTED]  
Chief, Production Group

Attachments:

TABS A thru E

Distribution:

Orig - Addressee

1 - Prod Gp

1 - Exec Reg

1 - Chrono

[REDACTED] (3597)

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